

JULY 2002

# Insight

For  
benefits  
administrators

## Managing For Tomorrow®



**BlueCross BlueShield  
of South Carolina**  
An independent licensee of  
Blue Cross and Blue Shield



MANAGING FOR TOMORROW®

Persons with chronic conditions such as diabetes, heart disease or asthma know that taking care of themselves can be challenging. Going to the doctor only a few times a year is not enough. About 95 percent of chronic illness care is done by patients themselves. It's a 24-hours-a-day, seven-days-a-week effort. Being a good *self-manager* starts with understanding your condition and your doctor's plan of care.

That's why there's a new program that can help, available to active employees, spouses and dependents with the State Health Plan (health maintenance organization subscribers are not eligible). These individuals may receive a letter or phone call about a unique health management program known as Managing for Tomorrow®. This program, sponsored by BlueCross BlueShield of South Carolina in cooperation with the State Health Plan Prevention Partners, will help them learn more about their conditions and ways to improve their health. It is voluntary and offered at no cost. Participants will not be asked to purchase anything, their benefits will not be affected and their premiums or copayments will not increase.

Managing for Tomorrow® starts with a confidential survey. The survey helps determine what health education materials are right for each person. Their invitation includes a special Personal Identification Number (PIN). This PIN will allow participants to complete the survey either by calling an automated phone line or by logging on to a secure Web site. Paper surveys are also available.

Everyone who receives this invitation is encouraged to take part in the Managing for Tomorrow® program. Employees who think they qualify but

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## Physician Network termination—mammography testing

Brown and Radiology Associates and the Imaging Center, both located in Augusta, Georgia, have terminated their participation in the State Health Plan Mammography network, effective May 18, 2002. Any State Health Plan subscribers in the Augusta area who need to locate another participating provider may access the network provider directory on the Internet at [www.eip.state.sc.us](http://www.eip.state.sc.us) and then click on the BlueCross BlueShield of South Carolina logo, or directly at [www.southcarolinablues.com](http://www.southcarolinablues.com). The information is updated daily.

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South Carolina  
Budget and Control Board  
Employee Insurance Program



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803-734-0678 • 1-888-260-9430  
[www.eip.state.sc.us](http://www.eip.state.sc.us)

# EIP reorganized within new division

The Budget and Control Board has reorganized recently, and the Employee Insurance Program (EIP) is affected by this change. A new division has been formed—the Division of Insurance and Grants Services. This new division consists of the Employee Insurance Program, Insurance Reserve Fund, Office of Local Government and the State Energy Program.

Tom Lucht has been appointed as director of this new division. Tom is very well known to many in the benefits community through his service as deputy director of the South Carolina Retirement Systems and his long tenure on the management team at the Office of Human Resources. We at EIP look forward to working with Tom and to being part of this new division within the Budget and Control Board.

As EIP is no longer linked organizationally with the Retirement Systems (except as units of the Budget and Control Board), there are no current plans—short-term, long-term or otherwise—to move from its present location in the SouthTrust Building in downtown Columbia. Also, EIP management roles and responsibilities are unchanged.

## COBRA corner

### COBRA letters updated

The Employee Insurance Program (EIP) has updated the sample COBRA notification letters and cover memo, and they are now available on the EIP Web site at [www.eip.state.sc.us/publications/forms/NOE.html](http://www.eip.state.sc.us/publications/forms/NOE.html). If you receive your copy of *Insight* via regular mail, these revised samples were included in the mailing. These letters and the memo were updated primarily to include information regarding the Medical Spending Account and to clarify its timeframe for continuation (see below). You should begin using them right away.

### Medical Spending Accounts and COBRA

Please make sure to explain to terminating employees that they may continue their Medical Spending Accounts, on an after-tax basis, while on COBRA, *but only through the end of that calendar year*. For example, an employee who terminates employment on July 15, 2002, and another who terminates on November 30, 2002, may both continue their Medical Spending Accounts, after-tax, but only through December 31, 2002.

### COBRA documentation reminder

Please remember that you must keep copies of the actual COBRA notification letters in your files, not just the COBRA notification cover memo. Failing to keep copies of the actual letters is an audit exception.

## Merck-Medco becomes Medco Health

Merck-Medco, the company that manages the prescription drug benefit on behalf of the Employee Insurance Program, is changing its name to **Medco Health Solutions, Inc.**

The prescription benefits coverage will not change as a result of the name change, and employees do not have to do anything differently to obtain their prescriptions. In fact, they may continue to use their current member ID card at retail pharmacies to fill their prescriptions. If they use the Medco Health Home Delivery Pharmacy Service to fill their prescriptions, they may continue to use the same order forms and envelopes as in the past. Employees may also continue to order prescriptions and get important health and prescription benefit information online at the new Web site: [www.medcohealth.com](http://www.medcohealth.com).

In the coming months, they may continue to see both the old name, Merck-Medco, and the new name, Medco Health, until this transition has been completed.



# BENEFITS WORK AT 2002

We mailed the “**Benefits at Work**” (BAW) 2002 registration packet to you recently. Do not delay in completing and returning these forms and making your hotel reservation with the Adam’s Mark Hotel (if necessary).

Please remember that July 26 is the deadline for reserving your hotel room. After July 26, The Employee Insurance Program (EIP) will forfeit all blocked, unreserved rooms. Please refer to your registration brochure for information regarding hotel reservations.

Here are some tips to help you with the registration process:

- Mail your BAW registration form with your check; or
- Mail or fax (803-737-0825) your BAW registration form **and** a letter of commitment, on your entity’s letterhead, indicating your intent to attend the conference, which day you would like to attend, and when we may expect payment from you (due no later than August 15 to avoid late fees).
- You may either mail your hotel registration card to the Adam’s Mark Hotel or fax it to them at 803-254-2911. You do not need to confirm with EIP once you have done so.

If you did not receive a BAW conference registration packet, please e-mail Pamala Jackson at [pjackson@eip.state.sc.us](mailto:pjackson@eip.state.sc.us) or call her at 803-734-0706 (toll-free at 1-888-260-9430).

## Physical activity fundamental to preventing disease

Regular physical activity, fitness and exercise are crucial to the health and well-being of people of all ages. Everyone can benefit from regular physical activity, whether it’s vigorous exercise or some type of moderate health-enhancing physical activity. Even among frail and very old adults, mobility and functioning can be improved through physical activity.

### The problem with inactivity

Millions of Americans suffer from chronic illnesses that can be prevented or improved through regular physical activity. Recent studies found that 14 percent of all deaths in the United States were attributed to activity patterns and diet, and 23 percent of deaths from major chronic diseases were linked to sedentary lifestyles.

Physical activity has been shown to reduce the risk of developing or dying from heart disease, diabetes, colon cancer and high blood pressure. Despite these well-known facts, most adults and many children lead a relatively sedentary lifestyle and are not active. A sedentary lifestyle is defined as engaging in no leisure-time physical activity (exercises, sports, physically active hobbies) in a two-week period. Nearly 50 percent of adults reported no participation in leisure-time physical activity in a recent national survey.

### Economic consequences of inactivity

Physically inactive people are at risk both medically and financially for many chronic diseases and conditions including heart disease, stroke, colon cancer, diabetes, obesity and osteoporosis. The increasing prevalence of chronic medical conditions and diseases related to inactivity is associated with two types of costs. First, there are health care costs such as physician visits, pharmaceuticals, ambulance services, rehabilitation services and hospital and nursing home care. Second, there are other costs associated with the value of lost wages due to illness and disability as well as the value of future earnings lost by premature death. In 2000, the total cost of overweight and obesity was estimated to be \$117 billion. The total estimated cost from chronic disease is substantial as seen in the chart below.

National Cost of Illness for Selected Diseases (in billions)	
Disease	Cost
Heart Diseases	\$183
Cancer	157
Diabetes	100
Arthritis	65
SOURCE: National Institutes of Health, 2000	

A recent study demonstrated that obese individuals spend approximately 36 percent more than the general population on health services and 77 percent more on medications. Furthermore, the study found that the effects of obesity on health spending were significantly larger

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## Physical activity fundamental

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than effects of current or past smoking.

## Physical activity and good physical health

Participation in regular physical activity—at least 30 minutes of moderate activity five days per week or 20 minutes of vigorous activity three times per week—is critical to sustaining good health. Youths should strive for at least one hour of exercise a day. Regular physical activity is beneficial and helps prevent a broad range of health problems and diseases.

Employers can benefit too. Workplace physical activity programs can reduce short-term sick leave 6-32 percent, reduce health care costs 20-55 percent, and increase productivity 2-52 percent. In 1998, 93 percent of employers had programs that promoted employee health, up from 76 percent in 1992. Such wellness programs typically offer help in smoking cessation, managing stress, prenatal care, nutrition and fitness.

Source: U.S. Department of Health and Human Services at [www.hhs.gov/news/press/2002pres/20020620.html](http://www.hhs.gov/news/press/2002pres/20020620.html)

*The information contained in **Insight** that affects your employees should be communicated to them in a timely manner.*

## In short

### Training Catalog

You should have received your new Insurance Benefits Training Catalog for July 2002-June 2003. If you did not receive a catalog or if you need additional copies, contact Pamala Jackson at [pjackson@eip.state.sc.us](mailto:pjackson@eip.state.sc.us) or call her at 803-734-0706 (toll-free at 1-888-260-9430) to make your request.

### Benefits Administrator Manual

The 2002 “Benefits Administrator Manual” will be posted on the Employee Insurance Program’s (EIP) Web site at [www.eip.state.sc.us](http://www.eip.state.sc.us) by July 15. If you do not have Internet access, contact Brad Smith via e-mail at [bsmith@eip.state.sc.us](mailto:bsmith@eip.state.sc.us) or call him at 803-734-0607 (toll-free at 1-888-260-9430) and request a copy be mailed to you.

### Surveys and applications

Along with your July 2002 *Insight*, you also received two important forms:

- **2002 benefits administrator satisfaction survey.** This survey gives you the opportunity to evaluate EIP services as you have in prior years.
- **2002 benefits administration recognition awards application.** The recognition application lets EIP know what innovative and effective initiatives your entity has undertaken in the past year so that you may be considered for the “Benefits Administrator of the Year” award and your organization for the “Entity of the Year” award.

Please complete these forms and return them to EIP by July 19. If you have any questions, simply contact the EIP staff person identified on the form. The staff members at EIP wish to thank all of you for your efforts, and we look forward to hearing from you!

## APS presents quarterly report

On May 29, representatives from APS Healthcare, Inc. (APS), presented the Employee Insurance Program (EIP) with a quarterly report of the Mental Health and Substance Abuse Program and its progress since inception January 1, 2002. Here are some data and statistics from the first quarter of 2002 that the folks at EIP thought you might find interesting.

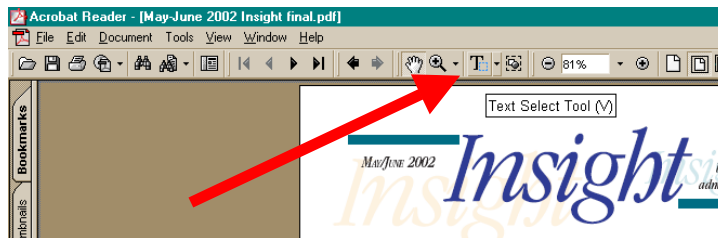
- Depression was the most common diagnosis.
- Covered dependents, COBRA subscribers and survivors used more services than did employees.
- 667 individual and agency service providers and 16 hospitals joined the network by the quarter’s end, and providers continue to join the network.
- APS received 10,843 incoming calls. Only 46 (0.42 percent) were dropped or could not be answered in time.
- The average time to answer incoming calls was 9 seconds.
- APS received only 14 enrollee complaints, mostly due to claims-processing time. APS expects to resolve this matter by the end of the second quarter.
- 13 cases were determined to need “crisis” care—requiring either immediate assistance by a provider or assistance within 48 hours.



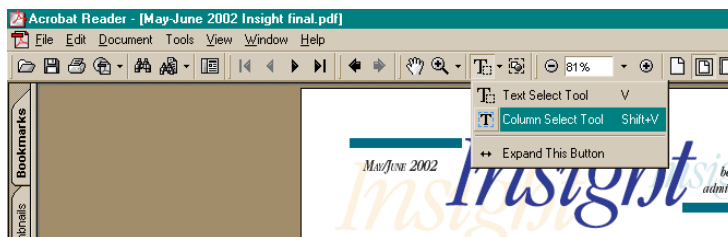
## See something you like in *Insight* and want to pass it along?

If you receive your copy of *Insight* via e-mail as an attachment, it's easy to copy the articles you want to forward or include in a newsletter of your own. Here's how.

After you open *Insight*—or any other file with a name ending in “.pdf”—using Adobe Acrobat Reader, look for the *Text Select Tool* (a large “T” on your Acrobat Reader toolbar) as shown below. Click on the Text Select Tool icon, then click and drag over the desired text to highlight it. From there you may copy and paste the text into other applications, such as Microsoft Word, using the standard copy command under the *Edit* menu in Acrobat Reader.

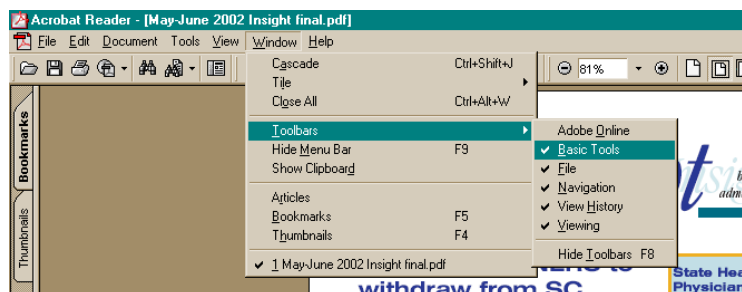


If you find that unwanted text from another column is also highlighted as you click and drag over the text, there is another tool that selects text only within the area you specify—the *Column Select Tool*. Click on the small triangle just to the right of the Text Select Tool icon to open the drop-down menu and choose the Column Select Tool as shown at right. With the Column Select Tool, you may highlight text in one column without highlighting unwanted text on either side of it. Again, once you've highlighted the text you want, simply copy it into other applications.



If you do not see any text selection tools on your toolbar in Acrobat Reader, try this. Click on *Window* at the top of the menu bar to open the drop-down menu and select *Toolbars* to bring up more choices. Click on *Basic Tools* as shown below. The text selection tool, along with others should appear under the menu bar.

Finally, Adobe Acrobat Reader is free software and available to anyone with Internet access. For the latest version, go to [www.adobe.com/products/acrobat/readstep2.html](http://www.adobe.com/products/acrobat/readstep2.html) or click here:



## State employee adoption assistance program—changes for FY 2003

The Fiscal Year 2002-2003 budget funded \$700,000 for the State Employee Adoption Assistance Program. Eligible employees who adopted a child July 1, 2001, through June 30, 2002, may apply for financial assistance relating to the adoption. *Employees must participate in the Employee Insurance Program and be employed when the application is submitted and when the payment is forwarded to the provider.*

Payments will be made to service providers for costs related directly to the adoption, such as:

- Medical costs of the biological mother not covered by other insurance, Medicaid or other available resources;
- Medical costs of the child not otherwise covered;
- Licensed adoption agency fees, legal fees and guardian ad litem fees;

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## Managing For Tomorrow®

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haven't received an invitation may simply call the BlueCross Disease Management department at 1-800-925-9724.

More than 48,000 employees will receive an invitation to participate in the program. The number of individuals who have been diagnosed with one or more targeted conditions are as follows (some diagnosed with more than one condition):

<u>Condition</u>	<u>Number Diagnosed</u>
Asthma	3,743
Coronary artery disease	3,634
Diabetes	11,912
Heart failure	917
High cholesterol	17,865
Hypertension	29,681

## Adoption program changes

*Continued from page 5*



- Allowable travel fees associated with the adoption process.

Applications must be submitted July 1, 2002, through September 30, 2002, for adoptions finalized from July 1, 2001, through June 30, 2002. Following the September 30 deadline, payments will be sent to providers based on itemized bills submitted with the applications, and applicants will receive confirmation of those payments.

Employees who received adoption assistance during Fiscal Year 2001-02 should not reapply. Additional payments may be made to their service providers, based on the maximum benefit to be determined for Fiscal Year 2002-03 less the amount paid the previous fiscal year.

For more information or for an application, employees may call the Employee Insurance Program at 803-734-1696 or toll-free at 1-888-260-9430.

## Reminders regarding the 31-day window of opportunity

The 31-day window of opportunity to make changes because of a special eligibility situation or family status change is calculated from the **date of the event**. In some instances the employee may need to date and sign the Notice of Election (NOE) within the 31-day period and request that the benefits administrator hold the NOE until any needed documentation is submitted and attached to its.

Here's an example. A spouse loses health and dental coverage effective May 15, 2002. If the employee wishes to add spousal coverage due to loss of coverage, the employee must make the request to add within 31 days of May 15. While the documentation of loss of coverage must be attached to the NOE and it may take more than 31 days to get the needed documentation, the NOE must still be signed within 31 days of the event.

Also note that new hires may change their minds regarding coverage within 31 days, calculated from the **date of hire**, not the effective date of the coverage.

### *Insight*

is produced monthly by  
the South Carolina  
Budget and Control Board  
Employee Insurance Program

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